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53 History

CHRONOLOGICAL HISTORY OF CIA'S ORGANIZATIONAL ARRANGEMENTS TO PERFORM MAJOR SERVICES AND LOGISTICS ACTIVITIES

1. From 1946 to 1 July 1947, a Services Branch consisting of a Reproduction Division, Transportation Division, Supply Division, and Property Control Division existed, handling both vouchered and un-vouchered affairs. A Project Support Branch, consisting of Supply and Transportation functions, existed for support of Office of Special Operations.
2. On 10 July 1947, the Services Office added a Central Records Division, which on 21 May 1948, was transferred to OCD.
3. On 7 December 1948, Graphics was transferred to Reproduction.
4. On 1 January 1949, the Services Office was split into an Overt Division and a Covert Division, and the Projects Support Division was abolished. On the covert side were Transportation and Procurement and Supply Divisions and on the overt side Transportation, Reproduction, Supply, Property Control, General Services Divisions.
5. On 20 April 1949, Graphics was transferred to another activity outside Services.
6. On 1 October 1949 an Overt Support Staff and a Covert Support Staff were established, each with responsibility for separate Personnel, Fiscal and Services Divisions.
7. On 5 October 1949 the name of the Covert Support Staff was changed to the Special Support Staff and the Overt Support Staff was changed to Administrative Staff, each with separate Personnel, Fiscal, and Services activities responsible to it. However, the Administrative Staff included the Medical Division.
8. On 1 December 1950 the Special Support Staff and Administrative Staff were abolished and the Procurement Office was established with the Administrative Services Office on an equal level. The Procurement Office consisted of Procurement, Supply and Procurement Planning Divisions. (later staff) The Administrative Services Office consisted of a Real Estate and Construction Division, Transportation Division, Printing and Reproduction Division, Building Maintenance and Utilities Division, and the General Services Division, which included Machine Records and Records Management and Distribution. Graphics was again included as a part of the Printing and Reproduction Division, but on 18 January 1951 was transferred to ORR.
9. On 29 December 1951 an Office of General Services was established, consisting of an Administrative Service (formerly the Administrative Services Office) and an Organization and Methods Service (formerly the Office of Management Analysis).

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10. On 11 August 1952 the Organization and Methods Service was transferred to the Comptroller's Office and the Transportation activity, exclusive of the Motor Pool and trucking function, was transferred to the Procurement and Supply Office. The General Services Office then consisted of the Records Services Division, the Printing and Reproduction Division, the Building Maintenance and Utilities Division, and the Garage, Motor Pool and Space functions.

11. On 20 August 1952 the Real Estate and Construction functions of the General Services Office was transferred to the Office of Procurement and Supply. The General Services Office then consisted of the Records Services Division, the Printing and Reproduction Division, the Building Maintenance and Utilities Division, and the Garage, Motor Pool and Space functions.

11.a.(new) On or about 5 September 1952 the Procurement and Supply Office absorbed the personnel and functions of the Logistics Division of GSA/ASL Staff.

11.b.(new) On 16 September 1952 the "Safehouse" function was transferred to the Procurement and Supply Office from the Office of the DIA.

12. Effective 10 November 1952 the garage and trucking functions (with the exception of mail and trash collection truck drivers and vehicles) were transferred from the General Services Office to the Procurement and Supply Office.

13. Effective 24 May 1953, Procurement and Supply became Logistics Office, consisting of Special; Inspection and Review; Administrative; and Coordination and Requirements Staffs; and Procurement; Supply; Transportation; and Real Estate and Construction Divisions.

13.a.(new) In September of 1953 the activities, personnel and positions concerned with transportation of Agency personnel and their dependents were transferred to Central Processing Branch, Personnel Office. Technical and staff responsibility remained with Transportation Division of Logistics Office.

14. On 14 December 1953, the Motor Pool Branch of the Space, Maintenance, and Facilities Division of the General Services Office was transferred to the Logistics Office (Highway Branch, Transportation Division).

15. On 15 February 1954, the General Services Office was abolished with the following of its former functions transferred to Logistics Office to become elements of Logistics Office as indicated:

GSO Element or Function

Transferred to:

Printing and Reproduction Division.

Logistics Office, Printing and Reproduction Division.

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GSO Element or Function (cont'd)

Printing Advisory function of the Office of the Chief, GSO

Physical Security function of the Office of the Chief, GSO

Mail Control Section (Mail and Courier Units) of the Records Management and Distribution Branch, Records Services Division.

Space, Maintenance and Facilities Division.

Transferred to:

Logistics Office, Inspection and Review Staff

Logistics Office, Administrative Staff, Security Officer.

Logistics Office, Administrative Staff, Mail and Courier Branch.

Logistics Office, Real Estate and Construction Division, Space, Maintenance and Facilities Branch.

16. (new) Effective 21 July 1954, the Logistics Office approved table of organization consisted of Security; Technical Review and Policy; Administrative (including Mail and Courier function); and Planning Staffs; and Procurement; Supply; Transportation; Real Estate and Construction; and Printing and Reproduction Divisions.

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THE HISTORICAL RECORD OF THE
PROCUREMENT AND SUPPLY OFFICE

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MEMORANDUM FOR: Mr. A. B. Darling
Historian, CIA

THRU : Deputy Director (Admin.)

MAY 21 1953

SUBJECT : The Historical Record of the Procurement
and Supply Office

1. Transmitted herewith are two copies of The Historical Record of the Procurement and Supply Office for the period from Fiscal Year 1946 to Fiscal Year 1952 inclusive.

2. Your attention is invited to the fact that the information contained therein represents the best available to this Office for the period under study. The records covering the period, particularly the early years, are incomplete, and in some cases not reliable. For this reason, a considerable amount of the information has been obtained from individuals who were on duty during the period.

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Acting Chief of Logistics

Attachment - 2 Historical Records of P&SC

IO/AS/ECB:lmr (20 May 1953)

Distribution:

- 2 - Addressee
- 1 - DD/A w/att.
- 1 - IO File w/att.
- 1 - Vital Records w/att.
- 1 - File

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THE HISTORICAL RECORD
OF THE
PROCUREMENT AND SUPPLY OFFICE

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Security Information

TABLE OF CONTENTS

PART I	INTRODUCTION
PART II	FISCAL YEARS 1946-1947
PART III	FISCAL YEAR 1948
PART IV	FISCAL YEAR 1949
PART V	FISCAL YEAR 1950
PART VI	FISCAL YEAR 1951
PART VII	FISCAL YEAR 1952
PART VIII	PROCUREMENT AND SUPPLY OFFICE

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**The Historical Record of the
Procurement and Supply Office**

Introduction

"The Historical Record of the Procurement and Supply Office" is a complete, chronological story of the mission, functions, organization and growth of the procurement and supply activities.

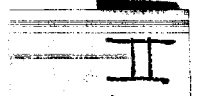
The material in the Record was obtained from review and analysis of the voluminous files, reports and other records in the files of the Agency and the Procurement and Supply Office. In the early years of operation, because of frequent shifting of procurement and supply activities among the offices of the Agency, reorganizations of the activity, and the changes in mission, complete and exact material, particularly as to growth statistics, was not readily available. In recent years, however, such material was found to be more complete and exact.

The Record is by years from Fiscal Year 1946 to Fiscal Year 1952 inclusive, and each year is handled as a separate chapter. Each chapter sets forth the authority under which the office operates, together with a statement of the overall mission and the functions necessary to perform such a mission. The organization of the office, including in some years proposed changes or reorganization, is then set forth in chart form. This is followed by pertinent statistics as to number of personnel on duty, amount of material purchased, the dollar cost of operations, and the dollar amount spent on material. In some years, when special or unusual projects or activities occur, the chapter contains information on the magnitude and scope of such projects.

The final chapter sets forth a general, overall statement of the Procurement and Supply Office. Current functions and activities of all divisions within the Procurement and Supply Office are enumerated, as well as the concept of this Office, including what, why, and how it has been done. In addition, the chapter indicates the original concept of the Procurement and Supply Office, its position at the present moment, and what is yet to be done. Also included is the organizational chart of the Procurement and Supply Office as of 30 June 1952, together with the key personnel.

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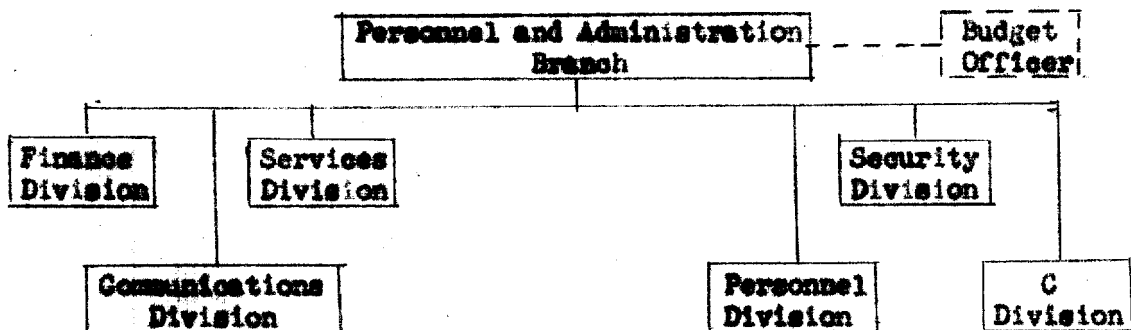
The Historical Record of the Procurement and Supply Office

Fiscal Years 1946-1947

Authority:

By Executive Order, dated 20 September 1945, all functions of the Office of Strategic Services, except for those elements absorbed by the Departments of the Army, Navy, and State, were transferred to the Strategic Service Unit. On 22 January 1946, a Presidential Directive created the National Intelligence Authority and vested in this body the authority to set up the Central Intelligence Group. By 20 October 1946 the Strategic Service Unit had been liquidated and absorbed into the Central Intelligence Group. Heretofore the Strategic Service Unit had been jointly supported by the Departments of the Army and State. In the organizational structure of C.I.G., procurement and supply was placed under the Executive, Personnel and Administration Branch, in the Services Division.

Central Intelligence Group



Services Division

Mission:

The mission of the Services Division is to direct and supervise all procurement activities of the Agency, including vouchered and un-vouchered purchasing. It establishes supply programs; controls requisitions for supplies and equipment; negotiates contracts for space outside of Washington; is responsible for and handles all utilities contracts; maintains all buildings assigned to the Agency by the Public Buildings Administration; supervises and directs the activities of the Supply, Reproduction, Transportation, and Property Sections.

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Supply Section

Functions:

The breakdown of the Supply Section, of the Services Division, into its component parts and their functions is as follows:

a. Office of the Chief:

The Office of the Chief determines questions of policy affecting procurement; supervises the procurement, storage, issue, and shipment of all materiel required within the continental limits of the United States, whether intended for domestic or overseas use, including materiel which is considered to be of a secret or confidential nature; originates requests for cargo shipments for overseas missions.

b. Procurement:

This unit procures all general and specialized supplies and equipment; purchases in the open market, or from existing contracts when the cost is less than \$2,000; procures from the Department of the Army and other governmental sources of supply; maintains control of all requisitions for materiel.

c. Contract:

This unit negotiates all contracts, leases, and services other than personnel, and processes contracts covering utilities.

d. Storage and Issue:

It stocks, issues, and delivers general office supplies and equipment; maintains perpetual inventory of stocks on hand; maintains stocks of operational equipment and supplies procured from unvouchered funds; receives and delivers all materiel procured by the Procurement Section; packs and crates; and arranges for shipment of supplies and equipment.

e. Miscellaneous:

It maintains and repairs office equipment in use throughout the Agency; performs such other services required of the Supply Section which do not fall under the jurisdiction of anyone in the aforementioned sections.

f. Real Estate:

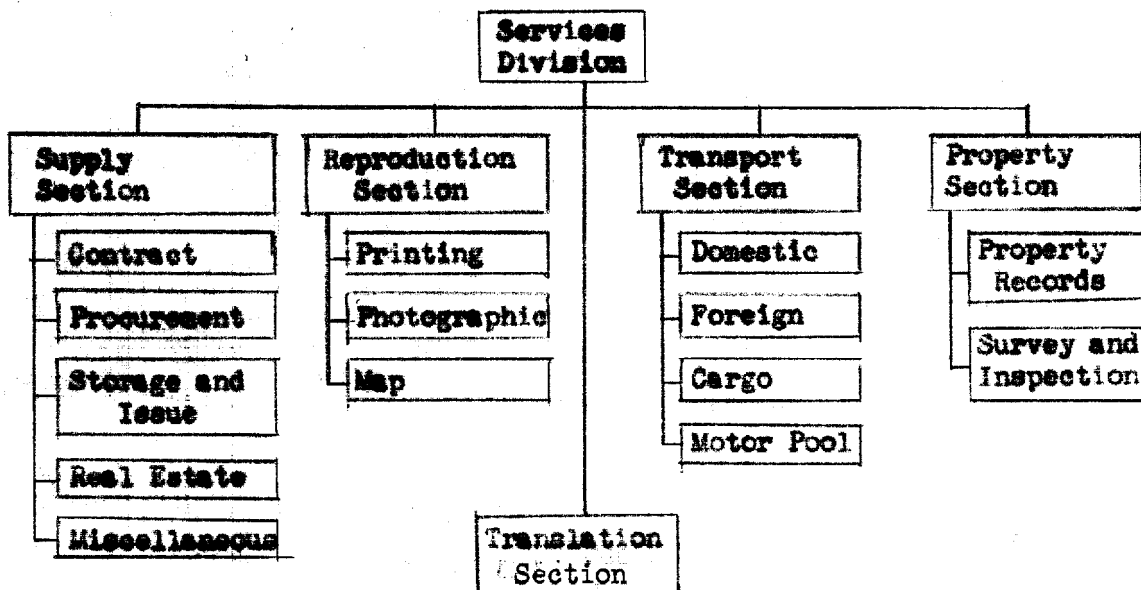
It maintains buildings assigned to the Agency by the Public Buildings Administration, including repairs and alterations; procures utilities required by the Central Intelligence Group in Washington not

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under the jurisdiction of the Public Buildings Administration; controls space utilization and prepares monthly space reports for the Public Buildings Administration and the War Department; directs all internal physical moves of Central Intelligence Group offices in Washington.

Central Intelligence Group



Property Section

Mission:

The Property Section establishes such policies as may be required to control the accountability of all non-expendable property regardless of source or nature of funds used in the procurement of such property; directs and supervises the maintenance of proper records for all property owned or controlled by the Agency.

Functions:

The breakdown of the Property Section, of the Services Division, into its component parts and their functions is as follows:

a. Office of the Chief:

The Office of the Chief formulates, directs and implements such policies and procedures as may be required in connection with property

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accountability for all Central Intelligence Group property, regardless of source or the nature of funds used in procurement; directs the maintenance of proper records relating to accounts of all property owned or controlled by the Agency.

b. Property Records:

This unit maintains records of all non-expendable property purchased, assigned or transferred to Central Intelligence Group.

c. Survey and Inspection:

It conducts book and physical inventory audits periodically; conducts investigations and inspections when required to establish financial responsibility in connection with the loss, destruction, damage to or theft of Government property. (See chart on next page.)

Strategic Service Unit

Personnel:

As of 11 August 1945, key personnel in the Procurement and Supply Branch were as follows:

Chief
Assistant Chief
Contract Division
Purchase and Supply Division
Special Procurement Division
Military Supply Division



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Central Intelligence Group Personnel Order No. 3, dated 17 April 1946, appointment of [redacted] Administrative Officer.

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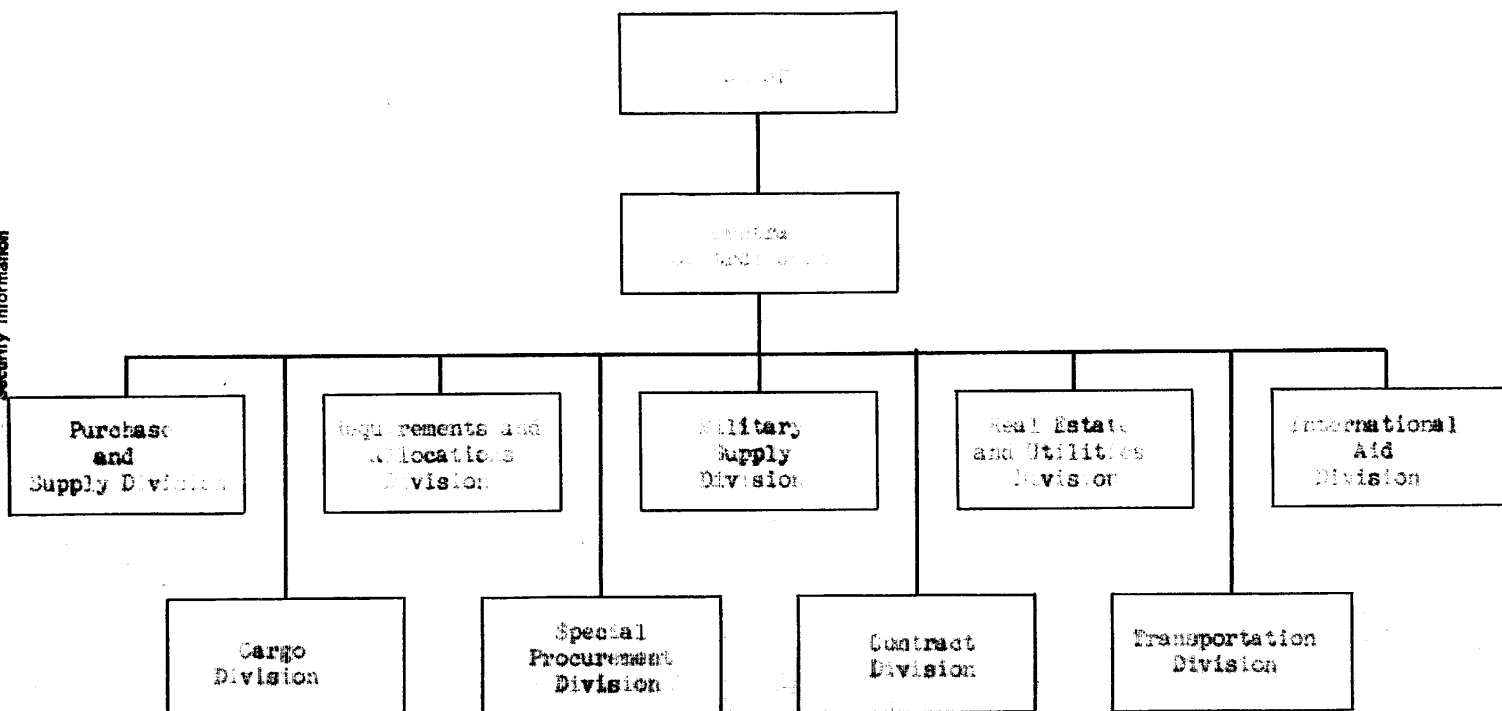
Central Intelligence Group Personnel Order No. 14, dated 11 September 1946, appointment of [redacted] Chief, Services Division, Deputy Executive for Personnel and Administration.

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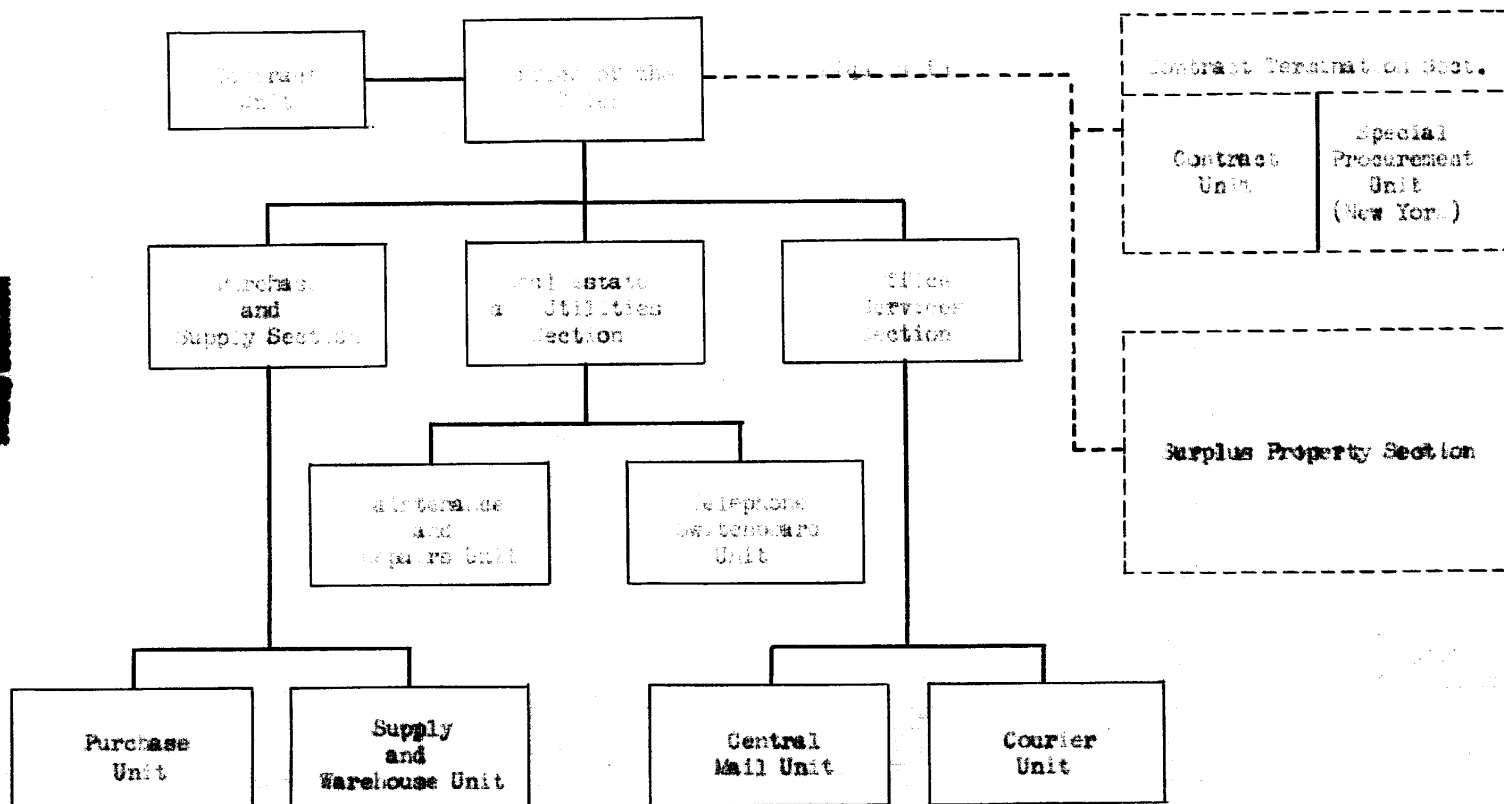
Support & Logistics Group
Organizational Chart - (Structure and Supply Group)
1. General Supply (1.41-1.45)



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Organizational Chart
 Strategic Services Division - Procurement and Supply Branch
 (Development to be continued - SIC organization)
 Fiscal Years 1975-1977



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Approved For Release 2006/11/03 : CIA-RDP82-00765R000200120001-6



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PART III

The Historical Record of the
Procurement and Supply Office

Fiscal Year 1948

Authority:

By General Order No. 2, dated 18 June 1947, the Office of the Executive for Personnel and Administration was abolished and the Office of the Executive for Administration and Management was established. The Services Division was placed under the Executive for Administration and Management. The Congress of the United States enacted the National Security Act (Public Law 253 - 80th Congress), July 27, 1947, which among its provisions established the Central Intelligence Agency. The Agency is an independent Government agency established under the control of the National Security Council. The change over from the Central Intelligence Group to the Central Intelligence Agency was effected on 20 November 1947.

Services Division

Mission:

The mission of the Services Division was to provide complete logistical support to the Central Intelligence Group on a world-wide basis to include supplies, transportation, and allied services. It performs reproduction functions, including still photography, duplicating, photostating, etc., to serve all activities of Central Intelligence Group. All Agency procurement activities, vouchered and un-vouchered, are directed by this Division, which prescribes property accounting procedures, establishes and controls supply and equipment programs, negotiates contracts for space outside of Washington, and handles utility contracts and maintains buildings. It also maintains a center for the translation of foreign language documents to meet the requirements of Central Intelligence Group.

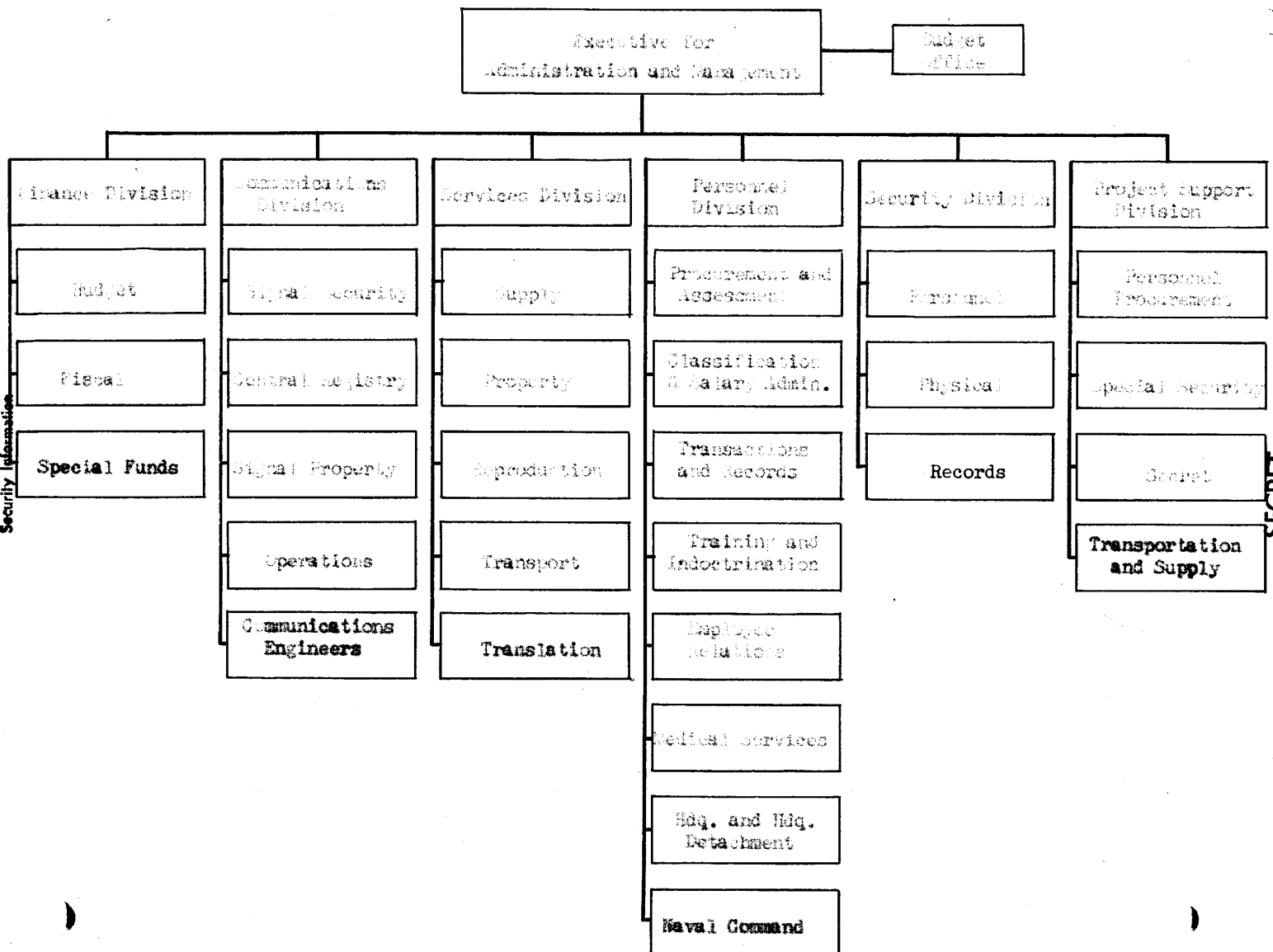
Personnel:

Central Intelligence Group Personnel Order No. 45, dated 15 July 1947, appointed as Executive for Administration and Management.

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Approved For Release 2006/11/03 : CIA-RDP82-00765R000200120001-6

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SECRET
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PART IV

**The Historical Record of the
Procurement and Supply Office**

Final Year 1949

Authority:

Procurement was designated in the Executive Staff, under the Executive for Administration and Management, as the Services Branch. Services Branch was originally established by Central Intelligence Group Administrative Order No. 1, dated 22 July 1946, and currently operating under authority of General Order No. 2, dated 18 June 1947, which abolished the Executive for Personnel and Administration and the Management Branch, ICAPS.

Supply Branches

Mission:

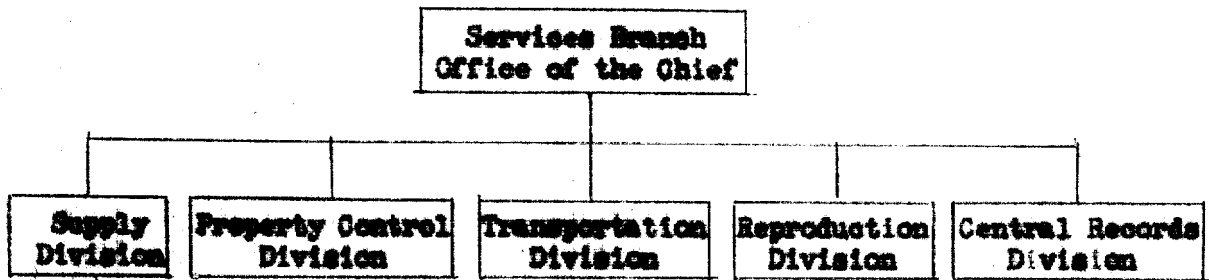
Services Branches was established for the purposes of providing logistical support to Central Intelligence Agency on a world-wide basis including supplies, transportation and allied services. Its functions include the administration of a world-wide supply program, the major problems of which are procurement, warehousing and shipping. It establishes property regulations and conducts such related audits and inspections as are required, maintains a reproduction plant which processes comprehensive reproduction facilities including all photographic and offset work and procures such printing service as may be required from the Government Printing Office. The Services Branch provides a Central Records Division responsible for the receipt, dispatch, recording and routing of all incoming and outgoing classified and unclassified matter for the Agency. In order to properly service

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Services Branch

Functions:

The breakdown of the Services Branch into its component parts and their functions is as follows:

Office of the Chief:

The Office of the Chief supervises the furnishing of logistical support for Central Intelligence Agency to include supply and transportation; directs the development and execution of all contracts required to service the Agency's operating units; and maintains liaison with other Government establishments to assure continuing support of the procurement and supply program of the Agency, and use of available facilities.

Supply Division:

The Supply Division procures supplies, equipment, and miscellaneous services; provides warehousing, storage, issue, packing, crating, and shipping facilities for Central Intelligence Agency; supervises procurement, warehouses, storing, and issuing of all supplies and equipment procured on General Schedule of Supplies or open market pursuant to P.L. 600; executes all contracts either by negotiation or in compliance with revised Stat. 3709; maintains all buildings assigned to Central Intelligence Agency by Public Buildings Administration and those leasehold interests in which Central Intelligence Agency is a contracting party; supervises all internal moves of Central Intelligence Agency in Washington; maintains telephone service on a twenty-four hour basis, seven days a week; packages and crates supplies and equipment for deliveries in the continental United States; delivers processed packages to installations designated by the Office of Special Operations for resending and consignment by that office to its designees; initiates procurement where stock levels indicate the need therefor; maintains

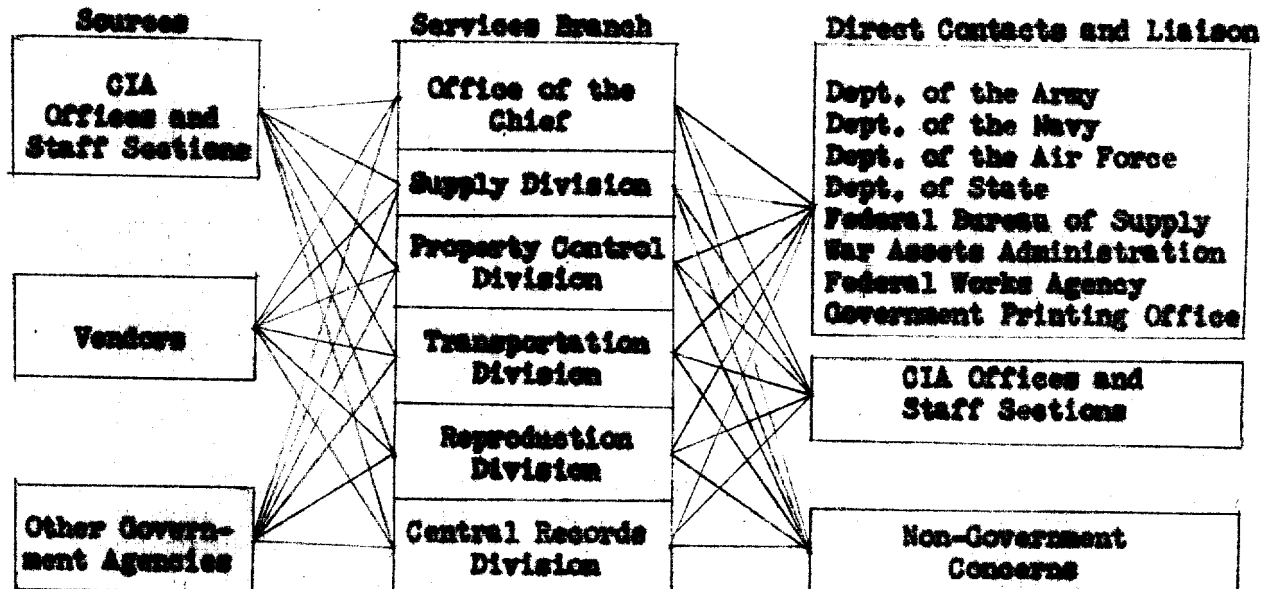
Property Control Division:

This Division provides property accounting procedures and makes recommendations for Central Intelligence Agency policies relating to

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property accounting; conducts periodic audits and inspection of property accounts and reports irregularities to the Property Survey Board; prepares and submits reports of investigations for consideration by the Property Survey Board; formulates and executes property control procedures for all phases of property accountability; and maintains complete records of all property owned or controlled by Central Intelligence Agency. Coordination is effected with the Supply Division, Services Branch, and Budget and Finance Branch, in the development of property categories and classifications, such as "expendable" or "non-expendable", "standard nomenclature", etc. Book and physical inventories at regional installations are also conducted when required and directed.



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Personnel:

Central Intelligence Agency General Order No. 11, dated 14 September 1948, abolished the Executive for Administration and Management, and established the Executive for Administration and Services Officer. [redacted] was appointed Executive for Administration. The change was effective on 1 December 1948.

Central Intelligence Agency General Order No. 14, dated 31 December 1948, made these changes in official designation: Executive for Administration and Management was to be designated Executive; Chief, Services Branch, Administration and Management, was to be designated Services Officer.



Central Intelligence Agency General Order No. 20, dated 8 April 1949, appointed [redacted] as Services Officer.

**Approved Table of Organization
Services Division
Fiscal Year 1949**

Office of the Chief
Supply Division
Property Control Division
Transportation Division
Reproduction Division
Crat. Records Division

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On duty, Services Division - 30 June 1949 - [redacted]

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Approved For Release 2006/11/03 : CIA-RDP82-00765R000200120001-6



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PART V

**The Historical Record of the
Procurement and Supply Office**

Fiscal Year 1950

Authority:

The Services Office was established under the Executive for Administration and Management by General Order No. 2, dated 18 June 1947, and is now operating under Central Intelligence Charts, dated 15 October 1947.

Services Office

Mission:

The Services Office was established for the purpose of providing logistical support to Central Intelligence Agency on a world-wide basis, including supply, transportation, reproduction and allied services. The Office is responsible for contracts, leases, and space procurement; packing, crating, warehousing, and shipping; office machine equipment repair; telephone communication services; reproduction by photograph, offset printing, mimeograph, and the procurement of printing from or through the Government Printing Office; transportation services required by either personnel or cargo, domestic or foreign, and the operation of a motor pool; and for record and control of property as well as warehouse operations. The Office functions require close liaison with all other offices and operations of Central Intelligence Agency. Now Central Intelligence Agency contacts are chiefly with the Departments of State, Army, Navy, and Air Force, the Bureau of Federal Supply, the Government Printing Office, and the Public Buildings Administration. Service functions are also performed for the National Security Council.

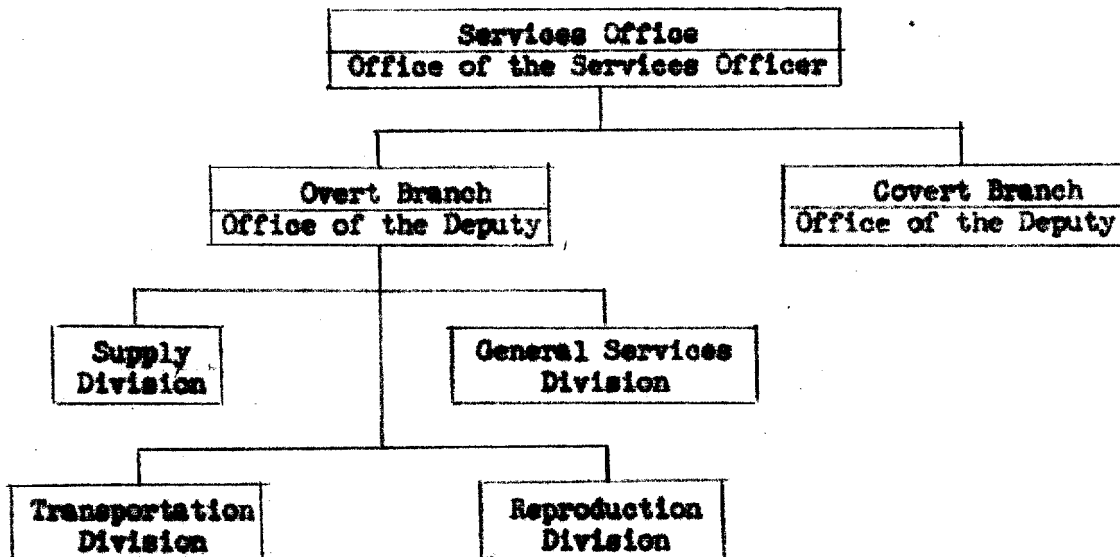
During this fiscal year, the procurement and supply function was split into overt and covert activities. The basic concept of this move was to effect a tighter control of security. On the overt side was the procurement and supply function of the Supply Branch, Services Division of the Administrative Staff. The Administrative Staff was a major Agency office established by General Order No. 24, revised 5 October 1949. The counterpart of the Supply Branch on the covert side was designated as the Procurement and Supply Division of the Special Support Staff, which was the covert counterpart of the Administrative Staff, both coming under the Office of the Executive.

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Security Information

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Services Office

Functions:

The breakdown of the Services Office into its component parts and their functions is as follows:

Office of the Services Officer:

The Office of the Services Officer provides overall coordination and administration for the program of providing logistic support to Central Intelligence Agency on a world-wide basis, and conducts liaison with other Government agencies and commercial firms in order to effectuate the most efficient and economical service planning for the Agency. Requirement of covert activities necessitates placing special emphasis on support of foreign activities in directing the overall program.

Office of the Deputies:

These offices are charged with the responsibilities of supervising and administering the services activities pertinent to the Agency's overt and covert activities respectively.

Supply Division (Overt):

The Supply Division was established for the purpose of providing support to Central Intelligence Agency on a world-wide basis, including the furnishing of supplies, equipment, contracting, and miscellaneous services. This Division negotiates contracts for regular supplies,

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equipment services, and space for development and production of special equipment and services; provides warehousing, storage and issue, packing, crating, and shipping facilities for the Agency; maintains and controls stock record accounts for all properties owned or controlled by the Agency; is responsible for construction, space, utilities, and repair and maintenance of these utilities. The Office also maintains shops to repair furniture and office machines; maintains central records reflecting by item the total quantity and monetary value of expendable supplies in stock, and non-expendable property on hand and in use, in the departmental area and at overt domestic and overseas stations, and the designated accountability for such property; compiles and maintains catalogs of common use items for issue from stock; disposes of surplus or otherwise unusable supplies, equipment, and property, including equipment located at overt field installations.

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Approved For Release 2006/11/03 : CIA-RDP82-00765R000200120001-6



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The Historical Record of the
Procurement and Supply Office

Fiscal Year 1951

Authority:

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The Services Office was established under the Executive for Administration and Management by General Order No. 2, dated 18 June 1947, and is now operating under Central Intelligence Charts, dated 15 October 1947. The Administrative Staff and Special Support Staff organization, as presently constituted, remained in effect until 1 December 1950. At that time a reorganization brought together in one office the overt and covert supply organizations (the Supply Branch and the Procurement and Supply Division). This reorganization was effected by [redacted] The new office was named the Office of Procurement and raised the procurement and supply functions to a higher position within the Agency's organizational structure. Personnel of the former organizations were integrated into the new structure and the mission and functions were defined in the copy of [redacted] published 19 January 1951.

Services Office

Mission:

The Services Office was established to carry out planning, directions, and coordination of the service programs supporting all overt and covert operations of the Central Intelligence Agency throughout the world.

Functions:

In the discharge of its responsibilities, and among its varied activities, the Services Office directs procurement programs for highly technical materiel; provides space for varied and widespread activities of the Agency by negotiating leases or, where necessary, the construction of buildings; prints and reproduces Central Intelligence Agency Intelligence Reports, maps, charts, and other highly secret intelligence material needed for both overt and covert operations; maintains warehousing, packing, and crating facilities and arranges for transportation of supplies, equipment and personnel to all parts of the world; establishes property regulations for Central Intelligence Agency and audits and inspects property and supply accountability and control practices of individuals and organizational units in Washington and in the field; negotiates with private contractors or other Government agencies for the maintenance and repair of buildings and office appliances and for the installation and maintenance of telephone service; assists the intelligence collecting and monitoring activities of the Agency in establishing new facilities by determining supply and equipment needs,

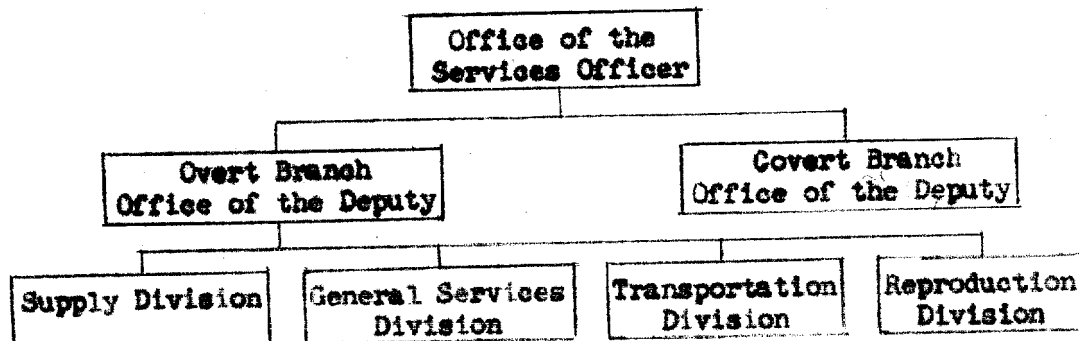
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performing procurement, and assuming full responsibility for construction and activation of field stations; serves in an advisory capacity to Assistant Directors and other officials of the Agency on matters relating to the logistic support of intelligence operations, and furnishes technical advice and assistance to planning officials for use as a basis for formulation of their plans; and performs services functions for the National Security Council. Close working relations are maintained with operational and other offices of the Central Intelligence Agency by the Services Office in the performance of its functions. The support of the Departments of State, Army, Navy, Air Force, the Government Printing Office, and the General Services Administration is essential to successful conduct of world-wide intelligence operations. Liaison is carried on with high ranking officials of these and other Government agencies by the Services Office to define the scope of each agency's participation and to coordinate the support activities of each into the overall plan of action. In order to support its varied activities in an orderly manner, the Services Office, Overt Branch, includes the following Divisions: General Services, Reproduction, Supply and Transportation. The Covert Branch includes the Divisions of Procurement and Supply, and Transportation.

As in the case with Personnel and Budget activities, the Services Office must take continual cognizance of security precautions in connection with a large amount of its processing. Special and time consuming arrangements for this purpose are not only required for Covert Services, but also for certain overt activities. Individual units of work cannot be directed toward prescribed channels, as every transaction must to some extent be considered and frequently handled on a separate basis, which is time consuming and in some cases not the most expeditious. However, security is a primary consideration and because of the nature of the work must be the initial consideration, since disclosure of the character, nature, and volume of the business of this Office can disclose actual Agency activities.

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The publishing of [] caused a complete reorganization of this Office and redefined the mission and functions of this Office, as well as renaming the organization. The following defines the mission and functions of the Office of Procurement.

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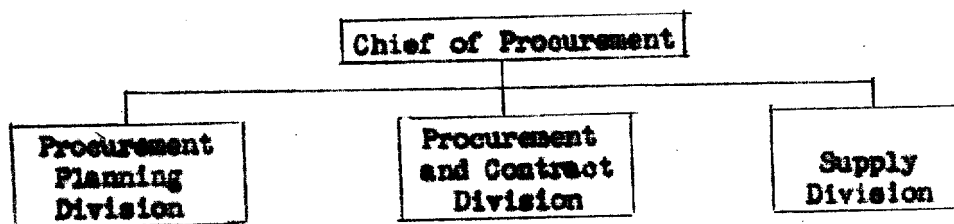
Chief of Procurement

Mission:

The Chief of Procurement is in charge of all Agency procurement of equipment and supplies.

Functions:

The Chief of Procurement shall effect, in coordination with operating officials, final determination of Agency requirements and priorities for equipment and supplies; negotiate on a policy basis with officials of appropriate Government organizations, agreements to ensure the Central Intelligence Agency requirements are met on a timely basis; procure materiel and supplies required for all Agency activities, directly or by contract, from civilian or military, and other Government sources; receive, inspect, warehouse, pack and issue all supplies and equipment; determine and supervise all necessary procurement and requirements liaison; maintain and control all supplies and equipment of the Agency and be responsible for the accountability and utilization of all such property.



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PART VII

**The Historical Record of the
Procurement and Supply Office**

Fiscal Year 1952

Authority:

25X11 The mission, functions, and organizational structure established by [redacted] issued on 19 January 1951, was continued in effect until 21 February 1952, at which time a revision was issued for implementation.

Chief of Procurement and Supply

Mission:

The Chief of Procurement and Supply is responsible for the procurement, storage, issue and accountability of all Agency equipment and supplies, except as departure therefrom is properly authorized, and for coordination and compilation of requirements of materiel required for logistical support.

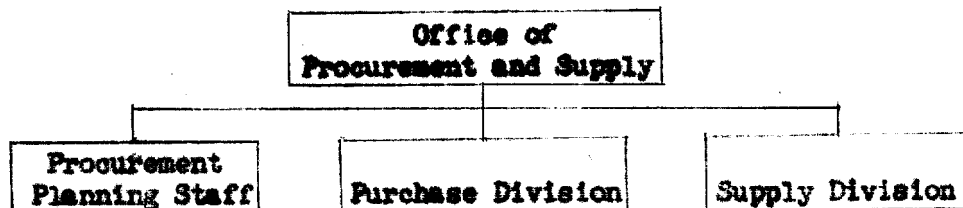
Functions:

The Chief of Procurement and Supply procures or provides technical guidance as necessary for the procurement of all materiel and supplies determined necessary for Agency activities, directly or by contract, from civilian or military, and other Government sources; negotiates on a policy basis with officials of appropriate Government organizations, agreements to ensure that Central Intelligence Agency logistical requirements are met on a timely basis; provides necessary coordination to compile requirements for equipment and supplies essential for Agency operations, including development of supply plans, production capacity requirements and controlled materiel program requirements; provides domestic facilities, and technical guidance for overseas facilities, for receiving, inspecting, warehousing, packing, issuing and disposing of all supplies and equipment; in collaboration with operating offices concerned, provides for selection, indoctrination, training and rotation of Procurement and Supply personnel over which technical guidance is maintained; assumes on behalf of the Director of Central Intelligence, Agency accountability of all Agency supplies and equipment; is responsible for all Agency supplies and equipment until relieved therefrom by delivery to the proper operating office.

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Procurement Planning Staff

Mission:

The mission of the Procurement Planning Staff is to prepare for the Chief of Procurement and Supply long and short range purchase, contract, supply and maintenance plans consentaneous with Central Intelligence Agency operational plans and requirements; to advise the Chief of Procurement and Supply as to areas that require change or improvement; to perform liaison work as required, and to make periodic recurring staff visits to all activities of the Procurement and Supply Office.

Functions:

This Staff will conduct searching analyses on a continuing basis of purchase, contract, and supply records to provide current background data for the Chief of Procurement and Supply. It will perform normal staff functions as related to plans and recommendations. Purchase and supply plans, with the mechanics related thereto, will be a prime responsibility of this Staff. Stock levels, supply sources, material allocation and standardization of procedures will be monitored, developed or established as the situation dictates.

Purchase Division

Mission:

The mission of the Purchase Division is to procure the equipment and supply requirements of the Agency by the most economical and expeditious means possible, consistent with the laws and regulations that have been or may be established; to develop, prepare and coordinate regulations, procedures and methods covering the procurement of equipment, supplies and services, both domestic and foreign; in cooperation with the Planning Staff and other Divisions of the Procurement and Supply Office, to provide general assistance and information to the administrative and operational activities of the Agency pertaining to market trends, prices, substitutions, and availability of equipment and supplies.

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Functions:

The functions of the Purchase Division are as follows:

1. Responsible for the procurement of the basic equipment and supply requirements of both administrative and operational activities of the Agency.
2. General supervision and administration of the Purchase Division.
3. Plan and develop procedures governing the procurement of equipment and supplies, both domestic and foreign, in accordance with the Central Intelligence Act (Public Law 110, 81st Congress) and other statutes.
4. Document control, maintenance of records, follow-up, and reports with respect thereto.

Supply Division

Mission:

The mission of the Supply Division is:

1. To receive, inspect, store, pack, and issue all supplies and equipment of the Central Intelligence Agency.
2. To maintain and control all supplies and equipment of the Agency and be responsible for the accountability and utilization of all such property.

Functions:

The Supply Division is responsible for: developing, organizing, and administering a logistical support program, primarily of a physical nature; providing for receipt, inspection, storing, packing, controlling and issuance of all supplies and equipment of the Agency, including communications, medical, general operational and administrative supplies and equipment; receipt, inspection, processing, reclamation, storage, and issue of all firearms, ammunition, and explosives; maintenance of control records to reflect by item the total quantity and monetary values of expendable supplies in stock and non-expendable property on hand and in use in the departmental area, [REDACTED]

[REDACTED] and overseas major supply depots; maintenance of auxiliary records by item, the quantities on order (Due In), allocated (Due Out), requirements and unused project balances by both items and project; property in transit, and consolidated records by items of materiel at all locations and the designated accountability for this property. The Supply Division is responsible for maintaining proper, adequate and timely advice to operating divisions of the condition of inventories in which each is interested; operating building supply rooms and employing Building Supply Officers to fulfil domestic supply requirements of the operating activities;

compiling, developing and maintaining catalogs of all items in stock and required to be procured for issue from stock and in use; the development and assignment of all inventory account numbers, location codes and all other identifying codes required for stock control and accounting.

The Supply Division is also responsible for the disposition of all surplus or otherwise unusable supplies, equipment and property, including field installations, as well as departmental property, which requires adequate survey of such materiel and recommendations for proper disposition in accordance with existing laws and regulations; inspection and investigation of all damages to property of the Central Intelligence Agency; determination of appropriate storage locations within combined warehouse areas; preparation of proper warehouse layout plans and space allocations; and the determination of adequate methods and processes for packing and crating of all materiel for both domestic and export shipments. The Division is responsible for the development, preparation, publication and dissemination of all regulations and procedures to assure complete control and coordination of the foregoing operations; for the training of adequate personnel for additional warehouse operation installations; and for the maintenance of adequate field inspections to maintain operations according to published regulations and procedures.

Personnel

The personnel for the Procurement and Supply Office during the Fiscal Year 1952 was as follows:



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Approved For Release 2006/11/03 : CIA-RDP82-00765R000200120001-6

Approved For Release 2006/11/03 : CIA-RDP82-00765R000200120001-6



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Approved For Release 2006/11/03 : CIA-RDP82-00765R000200120001-6
PART VIII

Procurement and Supply Office

Current Functions and Activities:

The Procurement and Supply Office is responsible for the procurement, storage and issue of all supplies and equipment for overt and covert operations of CIA. In addition, it has the responsibility for the promulgation of regulations and procedures governing the procurement activities of proprietary activities of the Agency. The broad functions of the Procurement and Supply Office entail close coordination with comparable supply levels in the Department of Defense and other Government agencies for the purpose of determining policies and procedures with respect to inter-agency supply relations, particularly as they may affect the support of CIA operations. The advent of the National Production Authority, and latterly the Controlled Materials Plan, under the jurisdiction of NPA, has increased the responsibilities of the Procurement and Supply Office, in that it is the responsibility of this Office to prepare and present the Agency's requirements for Controlled Materials in connection with the Agency's procurement program. The Procurement and Supply Office is responsible for the coordination of all materiel requirements of the Agency in such a manner as to provide for the adequate forecast of such requirements to those other Government agencies and commercial sources which will be called upon to provide material support to CIA. Simultaneously, the forecast for materiel to be required must be translated into weights, shapes and sizes of Controlled Materials for submission to the Munitions Board for the necessary allocations in connection therewith. The classified nature of the activities of CIA necessitates many departures from normal Government procedures and policies. This is particularly true in connection with the support of highly sensitive activities of this Agency in overseas areas. Such highly classified procurement functions, which preclude the use of the telephone and other insecure but efficient means of communication, reduce the individual work production when compared with the average normal Government activity. There are certain procurement activities of this Agency that are so sensitive that procurement and ultimate payment must be so accomplished as not to indicate any Government interest whatsoever. In short, the procurement functions of the Procurement and Supply Office of CIA are far more complex than that of any other Government activity. The same problems which enhance the complexity of procurement have a parallel effect upon the storage and distribution functions of the Procurement and Supply Office. Accountability for all non-expendable supplies and equipment of the Agency rests with this Office.

Office of the Chief

Current Functions and Activities:

The Chief of the Procurement and Supply Office is responsible for the promulgation of Agency supply policies and regulations and for the implementation thereof. The Chief of Procurement and Supply is the

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Security Information

principal supply functionary of the Agency, responsible to the Deputy Director (Administration) for the procurement, storage, issue and accountability of all supplies and equipment of the Agency and for the development and maintenance of a supply system capable of providing adequate logistical support to all Agency activities based on requirements. He is further responsible for liaison with appropriate officials of other Government agencies. The Office of the Chief serves as the coordinating point between all other Agency (CIA) activities at appropriate levels on all matters pertaining to supply. This Office also serves as a consultant in connection with procurement plans and activities of proprietary organizations. This Office further establishes administrative procedures, and is responsible for personnel relations within the Procurement and Supply Office. The latter is in accord with Agency personnel policy.

Planning Staff

Current Functions and Activities:

The Planning Staff accomplishes and determines Agency supply plans; determines Agency stock levels, procurement phasing, production capacity requirements and Controlled Materials Plan requirements; recommends procurement policy and standardization of materiel; coordinates liaison with the Munitions Board, National Production Authority, and appropriate offices of the Defense Establishment.

The Staff also establishes a system for the submission of requirements in connection with the Controlled Materials Program; makes provision for assisting CIA proprietary activities in effecting procurement involving controlled materials;

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Purchase Division

Current Functions and Activities:

The primary function and responsibility of the Purchase Division is to procure materiel required by all Agency activities, directly or by contract, from civilian, military and other Government sources. Purchasing activities require constant liaison with commercial industry, Department of Defense establishments (Army, Navy and Air Force), Federal Supply Service, and other Government agencies in the negotiation and execution of contractual agreements for materiel and supplies. The

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Security Information

Supply Division

Current Functions and Activities:

The Supply Division is responsible for developing, organizing and administering a logistical support program, primarily of a physical nature, providing for the receipt, inspection, warehousing, packing, controlling, and issuance of all supplies and equipment of the Agency, including administrative, communications, medical, general and operational supplies and equipment; maintenance of control records which reflect by item the total quantity and monetary value of expendable supplies in stock and non-expendable property on hand and in use, both in the departmental area and at both overt and covert overseas installations, and the designed accountability for such property; operates building supply rooms and employs Building Supply Officers to fulfill domestic supply requirements of the operating activities; compiles, develops and maintains catalogs of all items for issue from stock and in use; directs all activities of cargo operations for both overt and covert overseas installations. The Division is also responsible for the disposition of all surplus or otherwise unusable supplies, equipment and property, including field installations, as well as all departmental property, which requires adequate survey of such materiel and recommendation as to proper disposition in accordance with existing laws and regulations. The Supply Division is further responsible for inspecting and investigating all damage to property of CIA.

Concept of the Procurement and Supply Office

The Procurement and Supply Office has the primary responsibility of serving the operational activities of the Agency. This, of course, entails the materiel support of other Agency service activities as well. To adequately fulfill the foregoing, it is necessary that the procurement and supply activities be closely integrated, and that all aspects of the supply program be closely coordinated with those activities which it is designed to support. Experience treats that the ultimate in successful operations is obtained through concentrated effort in connection with the prosecution of the operations plan. Supply is a highly specialized service which translates materiel requirement forecasts into procurement, movement, storage and issue, the latter at the place and time designated by the appropriate operational plan. Management control over all supply activities, domestic and foreign, assures maximum utilization of materiel and warehouse space, as well as the timely deposit of adequate supplies in the appropriate operational area.

What Has Been Done By the Procurement and Supply Office

The supply activities of the Agency have been integrated and expanded to anticipate the operational needs of the Agency. A

penetrating study of other logistics activities, both civilian and governmental, has been made. Changes have been recommended and, whenever possible, instituted to improve the procurement and supply capacity. Mistakes have been made, delays in supporting operational activities have occurred, lessons have been learned and a better supply organization has gradually emerged. In this transitional period, operational activities have, of necessity, passed through a transformation in their thinking. A full appreciation of the importance of an advanced guarantee of adequate materiel support to any plan is gradually permeating the thought processes of the planners. The knowledge that such support requires materials which, because of their scarcity in the face of overwhelming demand, must be allocated far in advance, is gradually crystallizing what has previously been nebulous planning into firm determinations of materiel requirements. Again, the supply organization has not been perfect, but suffice to say that the record indicates that experience has found fertile soil in which to spawn improvements. The supply organization has never lost sight of the fact that its primary mission is to serve the operational activities of the Agency.

Why the Procurement and Supply Office Has Done It

The mission of the Procurement and Supply Office is to provide the materiel support to the Central Intelligence Agency, and that has been our goal. Devious paths may have been followed at times, but only through either lack of experience or lack of adequate policy support. At no time, however, was the primary mission obscured or minimized. The legal responsibilities imposed upon the supply organization cannot be lightly brushed aside. Sober and penetrating evaluation with ultimate determinations have been and are required. Those burdened with the responsibility of an operational mission are not always tolerant and appreciative of the mandatory responsibilities of those activities which, though constituted to provide adequate and timely support, are in the same breath, admonished that certain laws and their implementing regulations cannot be circumvented or prostrated in the interest of accomplishing an operational objective. Here then lies a definite and dangerous inconsistency.

How the Procurement and Supply Office Has Functioned

The procurement activities of the Agency function in the manner prescribed by Public Law 110 - 81st Congress, Chapter 227 - 1st Session, approved 20 June 1949, and by reference, Public Law 413 - 80th Congress, Chapter 65 - 2nd Session, approved 19 February 1948, and the implementing directives of the Director of the Central Intelligence Agency. As a guide, the Armed Services Procurement Regulations are employed when applicable, which is in the majority of cases. Government procurement in all cases is strictly regulated, and even though concessions are made

to this Agency under Public Law 110, it still does not provide for other than ethical and proper procurement procedures. Public Law 110 further provides for certain latitudes in areas of extreme sensitivity, wherein it is considered that a departure from the norm has been justified and is warranted in the public interest. As can readily be seen, the procurement functions of this Agency are, in the majority, of an extremely sensitive nature. Because of this high degree of sensitivity, the procurement functions are devious, and preclude their being handled in the same manner as those of other Agencies.

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Where the Procurement and Supply Office Once Stood

Once the functions of the Procurement and Supply Office were divided into two categories, namely, overt and covert. The overt procurement was in connection with the unclassified activities of the Agency. For example, any established agency has certain definite support problems in connection with its everyday operations, and the Central Intelligence Agency has certain published responsibilities which are public knowledge, and therefore can be supported in the normal manner. On the other hand, the covert procurement for the support of the operational activities of the Agency, the character of which is unknown to the general public, is classified to preclude the dissemination of knowledge beyond the "need to know" basis. In October, 1950, steps were taken, based on experience, to amalgamate the procurement and supply activities of the Agency under one head. This step resulted in greater utilization of manpower through a more even distribution of the workload, maximum utilization of space, and a more coordinated operation. In the face of expanding operational activity, and a shortage of personnel due to a difficult procurement personnel problem, the consolidation of procurement activities produced the hoped-for results. The attainment of great experience will, in all probability, indicate from time to time the desirability for organizational changes to cope with the operational requirements.

Where the Procurement and Supply Office Now Stands

At this point, the Procurement and Supply Office is a closely coordinated unit with a capacity to procure and store supplies and equipment of every conceivable commodity class, in either an overt or covert manner, by employing or preparing to employ the most modern techniques, particularly in the area of stock records and the flow of accountability information. At this time, the current organization is under careful observation for ways and means in which to improve the ability of the Procurement and Supply Office to perform its mission.

What Has Yet to be Done

In the interest of the Agency, a policy determination should be made definitely establishing that the service functions of the Agency would be responsible for the development of procedures and allocation of personnel which would provide adequate and experienced support, both domestic and foreign. Supply activities overseas should be manned by supply personnel, selected and indoctrinated under the management control of the Procurement and Supply Office. Personnel of this category assigned to support overseas operations, while being under the management control of the Procurement and Supply Office, would be under the military or administrative control of the Senior Central Intelligence Agency Representative, or such sub-commands as might be considered necessary.

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**ORGANIZATIONAL CHART
FISCAL YEAR 1952**



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* Planning Stage

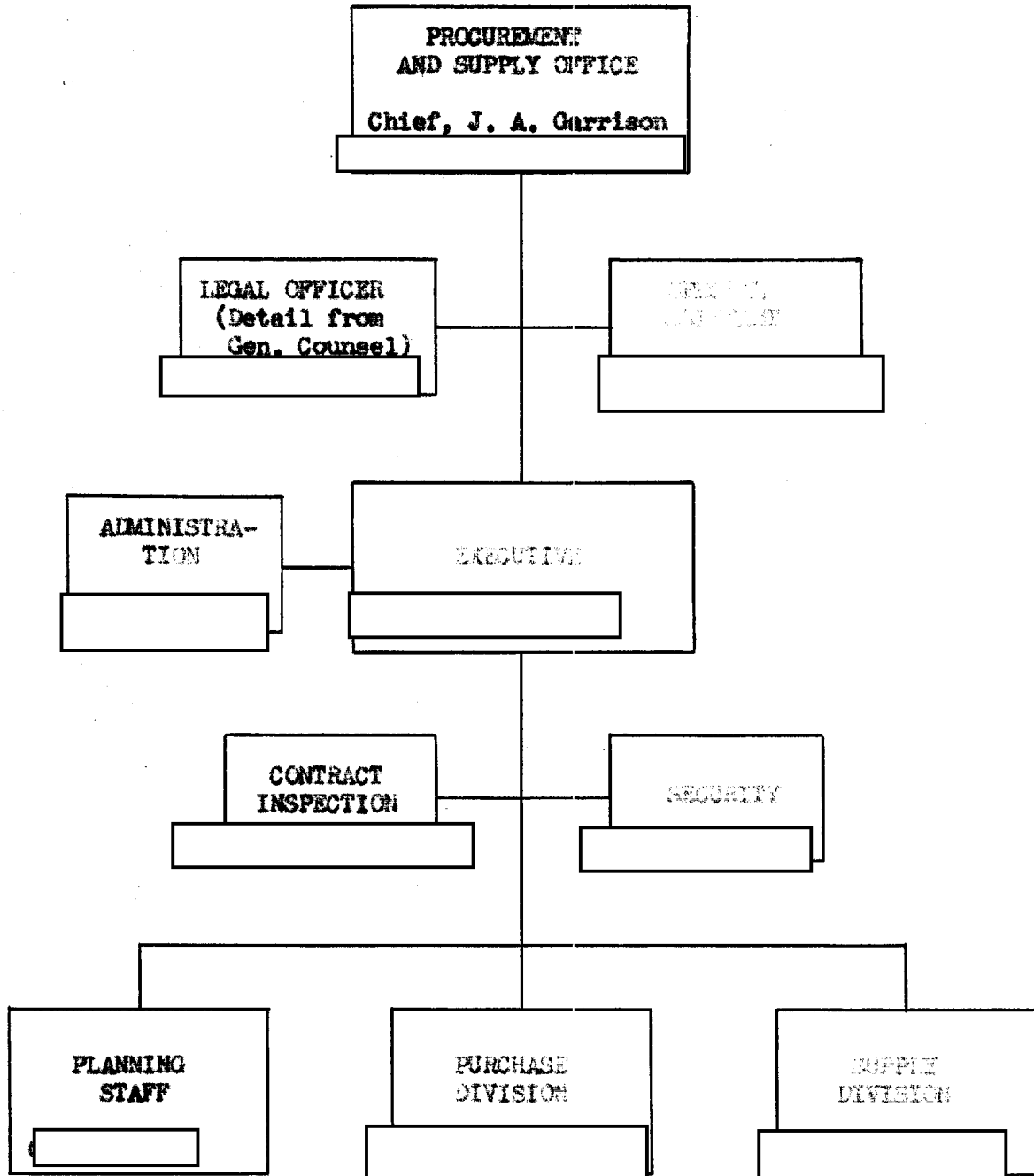
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**The Historical Record of the
Procurement and Supply Office**

**ORGANIZATIONAL CHART
FISCAL YEAR 1952**



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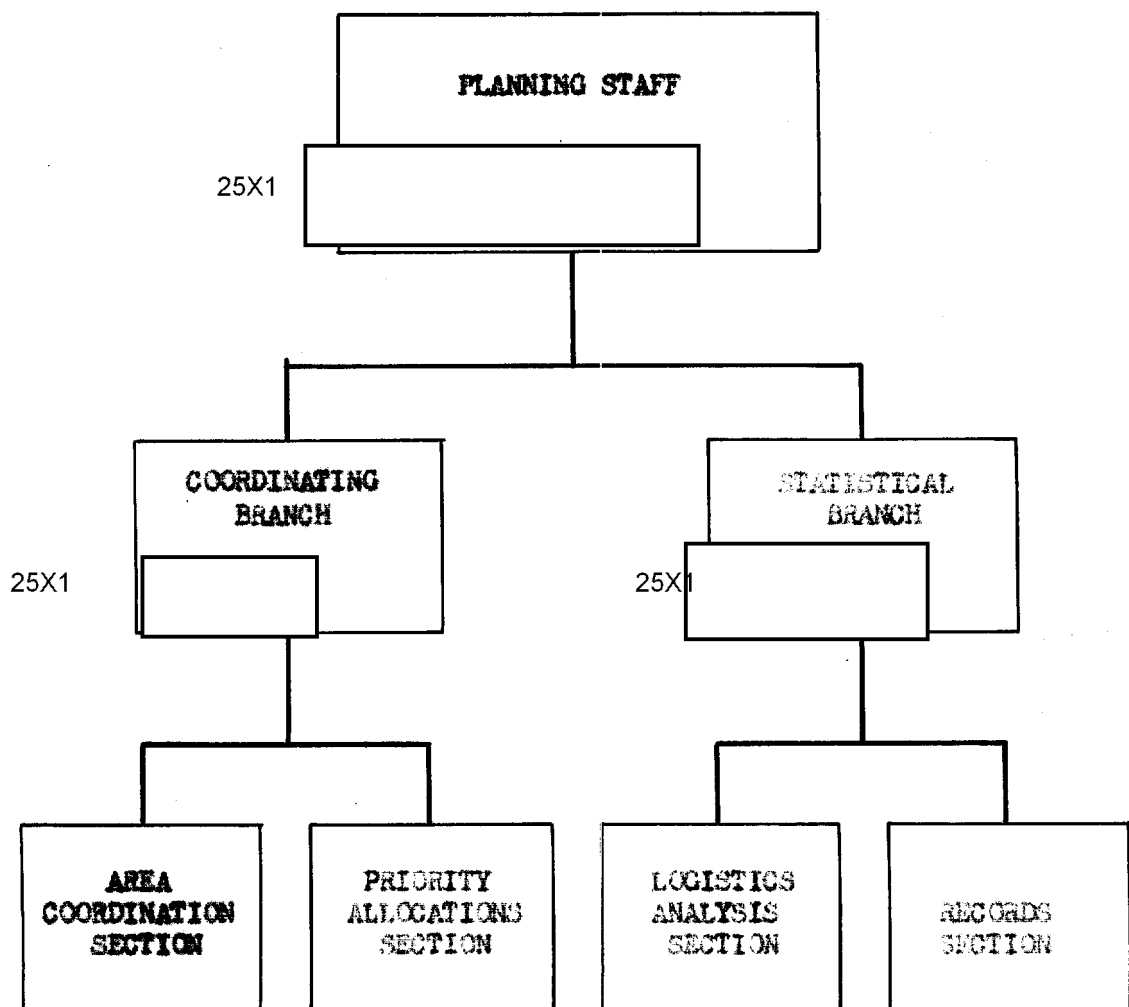
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**The Historical Record of the Procurement
and Supply Office**

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FISCAL YEAR 1952**



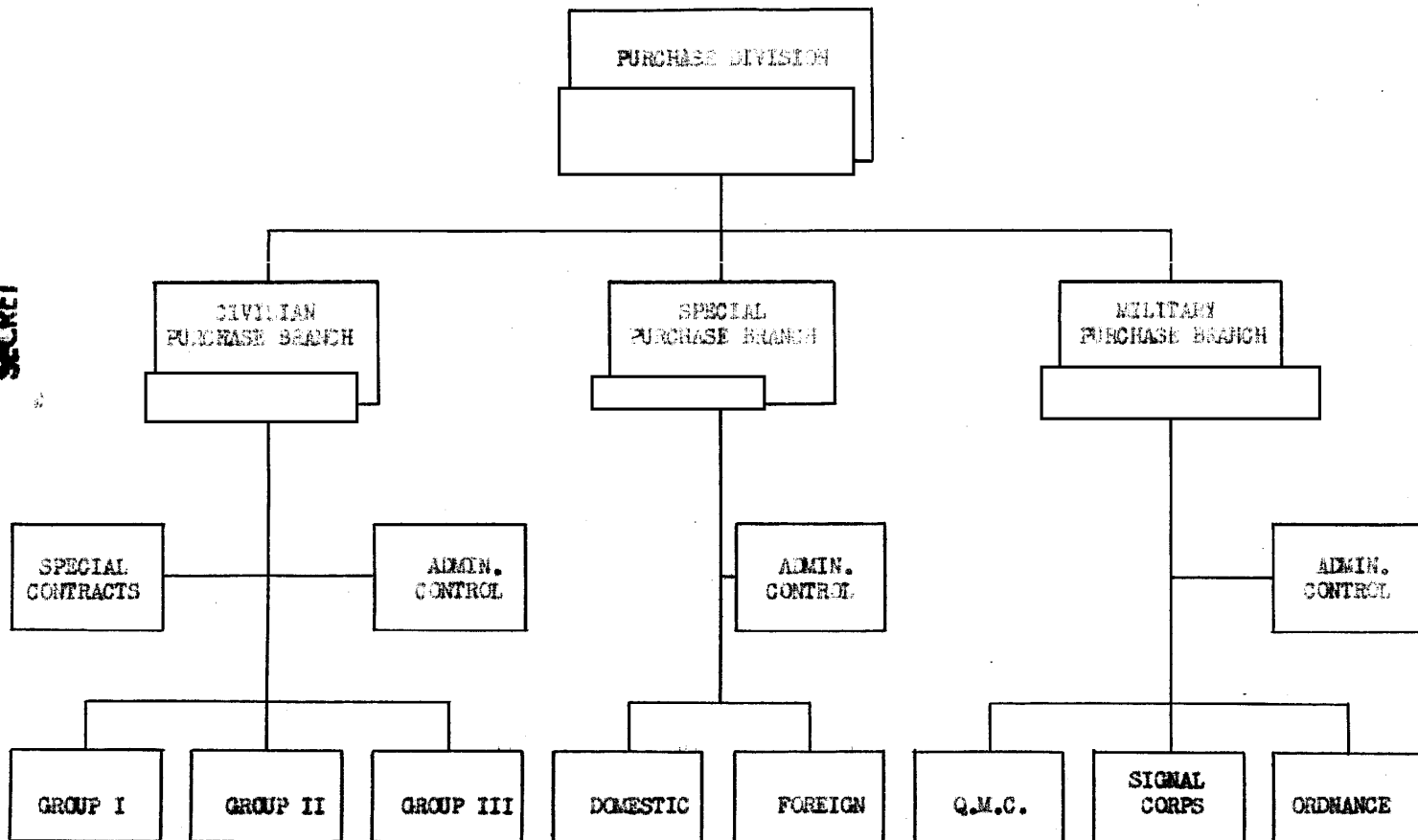
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The Historical Record of the Procurement and Supply Office

ORGANIZATIONAL CHART
FISCAL YEAR 1952



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PROPERTY UNIT**

STOCK EDIT. &
CONTROL UNIT

**SUR. INV. &
EXCESS PROP.
DISPOSITION**

STOCK EDITING
& CONT. SECT.

**SUR. INV. &
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**The Historical Record of the
Procurement and Supply Office**

Requirements

The Planning Staff, in coordination with other components of the Procurement and Supply Office, determines the adequacy of Agency supply facilities together with sources of material, to ensure that Agency requirements are met in conformity with time schedules established by operational activities.

Organization components of the Agency will generate and submit the estimated requirements to the Planning Staff, Procurement and Supply Office, for compilation to ensure the proper programming of all equipment and supplies.

Estimated requirements will be submitted thirty (30) months in advance, by the beginning of each calendar year for the two (2) fiscal years following. Confirmation or revision of the first year's estimated requirements will be submitted quarterly and the second year's estimated requirements will be confirmed or revised semi-annually.

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Next 19 Page(s) In Document Denied

Approved For Release 2006/11/03 : CIA-RDP82-00765R000200120001-6

Approved For Release 2006/11/03 : CIA-RDP82-00765R000200120001-6

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Approved For Release 2006/11/03 : CIA-RDP82-00765R000200120001-6



Approved For Release 2006/11/03 : CIA-RDP82-00765R000200120001-6

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16 April 1952

MEMORANDUM

TO : Comptroller
FROM : Finance Division
SUBJECT: Special Stock Account - Procurement Division

1. There are attached hereto three procedures covering the procurement, funding and accounting phases of the Special Stock Account established to enable the Procurement Division to effectively procure large amounts of foreign firearms, ammunition and other materiel for approved OPC and OSO projects.


Acting Chief, Finance Division

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Approved For Release 2006/11/03 : CIA-RDP82-00765R000200120001-6

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Approved For Release 2006/11/03 : CIA-RDP82-00765R000200120001-6

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